


Certificate of Nonprofit Board Education

Webinar 3: Fundraising

BoardSource

Your Team



Susan Meier

BoardSource

Contact Us

- Technical assistance: 1-877-892-6273
- Content-related questions:
webinarquestions@boardsource.org
- Andy Davis: 202-349-2517 andy.davis@boardsource.org



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About BoardSource

VISION a world where every social sector organization has the leadership it needs to fulfill its mission and advance the public good

MISSION to inspire and support excellence in nonprofit governance and board and staff leadership

OUR GOALS

Deepen understanding and inspire action on critical sector issues

Educate leaders and support effective board service and governance

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What You Will Learn



1. Fundamentals of Fundraising
2. Strategy of Fundraising
3. Role the Board and Board Members Play in Fundraising
4. Three Stages of Fundraising: Cultivation, Solicitation and Stewardship
5. Key Principles of Giving

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Today's Agenda

Week 6: Fundraising

- i. Setting the Stage
- ii. Fundamental Fundraising Responsibilities
- iii. Sources of Support & Reasons for Giving
- iv. Stages of Fundraising
- v. Fundamentals to Remember
- vi. Questions and Close

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Pre-Requisites to Successful Fundraising

- Strong Board and Staff Partnership
- Current Strategic Plan
- Fundraising Plan
- Passionate Board Members
- Understanding *the Strategy* of Fundraising
- Understanding Fundraising Fundamentals



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The *Strategy* of Fundraising

- Strategic board composition: Do we have the 'right' people on the 'bus'?
- Discuss and identify how your organization is unique.
- Build an engaged board.
- Develop a compelling case statement:
 - Make it short and concise but powerful – create an urgency.
 - Begin with your mission statement.
 - Include facts about your community and the need for your services.
 - Make the case for your services and how they will impact the community's 'problem.'
- Develop a fundraising plan that is strategic, diverse, and aggressive but achievable.
 - Include specific goals for board and for staff.

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Fundraising Fundamentals

1. Organizations are not entitled to support; they must earn it.
2. Successful fundraising is not magic.
3. Fundraising is really about "raising" friends.
4. You do not raise money by begging for it.
5. People will not give money if they aren't asked.
6. You don't decide today to raise money, and then ask for it tomorrow.
7. Treat prospects and donors as you would customers in a business.

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II. Fundraising Responsibilities



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Board Member Perceptions of Fundraising

- Fear of fundraising
- Lack of fundraising skills
- Equate fundraising with begging
- 58% of CEOs and 52% of board members feel boards could improve on fundraising ([BoardSource Leading With Intent](#))



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Key Roles of the Nonprofit Board

1. Setting Strategic Direction
2. Providing Oversight
3. Ensuring the Necessary Resources

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The Board's Role in Fundraising

- Define or clarify mission.
- Establish and adopt the strategic plan.
- Ensure there is a development plan and monitor its progress.
- Create fundraising and donor recognition policies.
- Ensure fundraising methods adhere to ethical standards.
- Participate in fundraising.
- Monitor progress and evaluate outcomes.
- Adopt and enforce a 100% Board Giving policy.

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Why 100% Board Member Giving?

- Demonstrates personal commitment
- Gives board members confidence to ask others to donate
- Encourages other funders to give
- Creates board member "ownership"



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Donations from Board Members

“Members of this board are expected to include [name of organization] in their annual philanthropic giving at a level commensurate with their resources. Board members need not give equal amounts but must make an equal commitment toward helping [name of organization] provide services.”

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Individual Board Member Participation

- Commit yourself to the organization’s mission
- Make a meaningful personal contribution
- Identify, evaluate, and cultivate prospects
- Organize and attend special events
- Attend face-to-face solicitations
- Thank donors



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The Staff’s Role in Resource Development

- Coordinate the overall fundraising process
- Develop relationships with funders
- Take the initiative: generate ideas, identify prospects, do research, coordinate visits
- Prepare correspondence and write proposals and reports

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The Fundraising Committee

- Lead board's participation in fundraising
- Work with staff to develop fundraising plan
- Develop fundraising policies, plans, procedures, and schedules for board
- Teach board members fundraising skills and techniques
- Ensure the case is strong and mission based
- Lead the board's effort in identifying, cultivating, and approaching major donors



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III. Sources of Support & Reasons for Giving



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Sources of Support

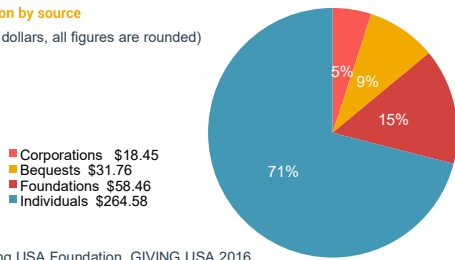
- *Individuals*
- *Bequests*
- *Corporations*
- *Foundations*
- *Government*



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2015 Contributions

\$373.25 billion by source
(in billions of dollars, all figures are rounded)

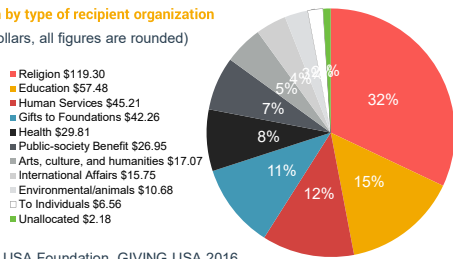


Source: Giving USA Foundation, GIVING USA 2016

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2015 Contributions

\$373.25 billion by type of recipient organization
(in billions of dollars, all figures are rounded)



Source: Giving USA Foundation, GIVING USA 2016

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Exercise: Get Inside a Donor's Head

- Why do **you** give to charity?
- Take a minute to:
 - Write down the charities to which you donate regularly
 - Describe the primary reasons that you do so

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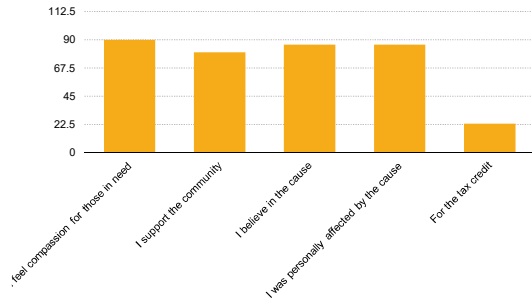
Motivations for Giving

- Belief in the mission
- Gratitude
- Pure generosity
- Community responsibility and civic pride
- Want to invest in a worthy cause
- Desire to make a difference
- The urge for recognition
- Others they know and respect are contributing
- Respect for the staff and/or volunteer leadership
- *Above all:* A desire to help



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Motivations for Giving



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Obstacles to Giving

- Poor Stewardship
- Over-Solicitation
- They don't see how their gift would make a difference
- They receive no direct, personalized appeal
- A previous gift was not acknowledged
- The timing was not right
- The organization's mission was not compelling
- **They were never asked**

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IV. Stages of Fundraising

Cultivation

Solicitation

Stewardship

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Stage One: Cultivation

Cultivation

- Building relationships with prospects
- Generating interest in the organization
- Showing prospects what the organization is all about – history, programs, finances, etc.

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How Board Members Can Get Involved in Cultivation

Cultivation

- Provide a list of potential donors
- Make personal contact with prospects
- Share organization's history and accomplishments
- Accompany the chief executive on a foundation visit
- Host events for potential donors in their homes

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Create an "Elevator Speech"

- A **compelling** 30-60-second "speech", delivered as part of a two-way conversation, that educates about your organization, and, hopefully, elicits interest from listeners.



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Stage Two: Solicitation



- Process of asking for financial support
- Various forms of soliciting support; e.g.,
 - Participating in a one-on-one solicitation
 - Sending direct mail pieces with personalized notes
 - Making telephone solicitations
 - Hosting benefits or other special events

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Case Statement



- What need does the organization fulfill?
- How is the organization meeting this need?
- Who are you (as an organization)?
- Why should the donor contribute?

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Board Members Making the Ask



- Notify the prospect that you are coming
- Use face-to-face solicitation to share enthusiasm
- Know the prospect's interests in advance
- Bring a staff member to answer specific questions
- Research the appropriate amount to ask for and the donor's giving history

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How to Handle Rejection



- Don't take it personally
 - Prospects are not rejecting you or the organization
- Offer any additional information needed to change the prospects mind
- Try to keep the door open



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Stage Three: Stewardship



- Thanking donors and letting them know the difference their gift made
- Maintaining donor relationships

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How Board Members Can Get Involved

Stewardship

- Send letters of appreciation and invitations to special events
- Maintain relationships with donors
- Personally thank donors
- Keep donors connected to the organization

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V. Fundamentals to Remember



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Types of Fundraising

- Annual Giving
- Major Gifts
- Planned Giving and Bequests
- Capital Campaigns

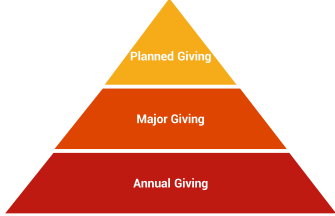


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Fundraising: the Pyramid of Giving

The Goal

Move donors from the base level to the top level by creating and maintaining relationships and connections



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Key Principles of Giving

- Asking for and giving money are natural processes, and need not be viewed as something to be avoided
- Most people contribute annually to a # of nonprofits, but they must prioritize those choices
- People give money because they want to
- People don't give money unless they are asked
- People give money to people
- People give money to success, not distress

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Questions Boards Need to Ask

- Do we have the 'right' people around the board table to fulfill our fundraising responsibilities?
- Do we share our fundraising expectations with every new board member?
- Have we developed a truly compelling case statement?
- Have we engaged our board in setting fundraising goals?
- Do we have a diverse fundraising plan to support our plan, strategies & programs?
- How can we best prepare our board members to effectively raise funds?
- Are we structured in a way that supports our fundraising efforts?
- How can we hold our board members accountable, both individually and collectively, for fundraising goals?
- What are the 3 priority items we need to address first?

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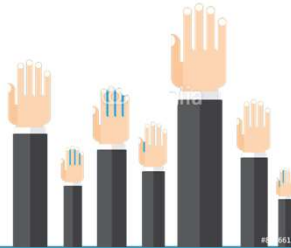
Closing Thought

"If your knees are shaking, stomach churning, feeling uneasy about asking, just kick yourself aside and let your cause walk in."

-Hank Russo, Founder of The Fundraising School

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Questions?



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Thank You



Let us Know How
BoardSource can help YOU
and YOUR Board

BoardSource 750 9th St NW Ste 650 Washington, DC 20001
Phone: 202-349-2500 Fax: 202-349-2599 www.boardsource.org

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